



Contract Number

SAP Number

Arrowhead Regional Medical Center

Department Contract Representative	Heidi Edmunds
Telephone Number	909-580-1041
Contractor	R1 RCM Inc.
Contractor Representative	Gary Long
Telephone Number	(312) 324-7820
Contract Term	June 9, 2020 –June 8, 2025
Original Contract Amount	\$150,000 per annum
Amendment Amount	
Total Contract Amount	\$750,000 (not to exceed)
Cost Center	9187504200

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County of San Bernardino on behalf of Arrowhead Regional Medical Center (hereafter referred to as “County” or “ARMC”) desires a contractor to provide Physician Advisory Services, as further described in this Contract; and

WHEREAS, the County conducted a competitive process through Request for Proposal No. MCR 18-37 (“RFP”), to find a contractor to provide these services, and

WHEREAS, based upon and in reliance on the representations of R1 RCM Inc. in its response to the County’s RFP, the County finds R1 RCM Inc. qualified to provide physician advisory services; and

WHEREAS, the County desires that such services be provided by R1 RCM Inc. (“Contractor”) and R1 RCM Inc. agrees to perform these services as set forth below;

NOW, THEREFORE, the County and Contractor mutually agree to the following terms and conditions:

A. DEFINITIONS

Board: The San Bernardino County Board of Supervisors

Contract: The Contract between the County and the Contractor consists of this executed agreement, including Attachment A- Pricing Terms, Attachment B - Business Associates Agreement, Attachment C – Arrowhead Regional Medical Center Information Security and Confidentiality Agreement, Attachment D – Services.

Contractor: R1 RCM Inc., a Delaware corporation, with its principal place of business at Chicago, Illinois.

EHR: Electronic Health Records.

PHI: Protected Health Information, with the meaning given to such term under 45 C.F.R. section 160.103 limited to protected health information Contractor receives from, or creates, maintains or transmits on behalf of, County.

Services: The requested services described in this Contract.

Subcontractor: An individual, company, firm, corporation, partnership or other organization, not in the employment of or owned by Contractor who is performing services on behalf of Contractor under the Contract or under a separate contract with or on behalf of Contractor.

B. CONTRACTOR SERVICE RESPONSIBILITIES

- B.1** Provide secondary utilization review process services for all patients that require inpatient stay but do not meet criteria using the state-approved InterQual or MCG software, as described in Attachment D – Services. This shall include receiving referral and providing timely response to secondary reviews, appeals, progress and performance reporting within a context of open and available communication with ARMC Physicians to discuss level of care of hospitalized patients.
- B.2** Provide qualified personnel to perform and complete services.
- B.3** Provide users credentials to unlimited number of County users for logging into the R1 Physician Advisory Solution portal.
- B.4** Provide application that is capable of an automatic log-off after an administrator defined inactive time period, which shall be no longer than 30 minutes of inactivity.
- B.5** Provide application that supports hierarchical security levels.
- B.6** Contractor shall ensure that any software or computer system utilized to store County PHI is compliant with the HITRUST Common Security Framework (CSF) standards. Contractor shall provide a copy of its HITRUST CSF Certification to ARMC annually or within 90 days after the latest certification period.
- B.76** Provide application that has electronic mechanisms to corroborate the PHI at rest has not been altered in an unauthorized manner (e.g. data integrity controls such as checksums, hash values, digital signatures, and encryption).
- B.8** Provide an application that supports data confidentiality in storage by encrypting PHI with a well-tested algorithm (AES, 3DES, Blowfish, etc.)
- B.9** Provide application that works with an individual VPN, or site to site VPN for remote support.

- B.10** Provide at least one California-licensed physician at times stated for timely direct telephone conversation with ARMC physicians to discuss level of care of hospitalized patients when there is a disagreement between physician advisor and hospital physician.
- B.11** At County's request Contractor will provide medical necessity reviews for each day the patient did not meet an acute level of care using InterQual or MCG software for TAR free cases.
- B.12** Provide medical necessity reviews, either concurrently or retrospectively for Medicare patients admitted for one day.
- B.13** Reviewer must sign off on the approved days in writing with a clinical reason for justifying the inpatient stay for TAR free cases. Contractor will make available physician reviews in written form at the time of the submission back to ARMC. Reviews can be printed and will be available within the targeted turnaround time for the services provided. TAR free reviews are formatted as required by the applicable state offices.
- B.14** For Level of Care cases, written physician recommendations shall be delivered within 1 hour on Emergency Department cases and within 2 hours of all other cases.
- B.15** Provide customized ongoing education with at least quarterly consultations and/ or webinars, articles and other modalities regarding appropriate status and recommendations for clinical documentation or other mutually agreed upon topics.
- B.16** Reports: Provide monthly and on-demand Real Time reporting regarding number of cases referred, percentage of inpatient vs observation cases, number of secondary reviews, and time to completion for each review. Contractor shall provide quarterly account management overviews. Contractor shall also provide ad hoc reports upon request at no additional charge.
- B.17** Secondary reviewer must be an active California-licensed Medical Doctor (MD) or Doctor of Osteopathic Medicine (DO) that did not participate in the patient's care.
- B.18** Contractor will make its web-based portal available 24/7/365. Contractor support staff are available by phone from 4:00a.m. to 12:00 a.m. PST/PDT to contact its physicians for any questions that arise and during this time frame, Contractor will make at least one, currently California-licensed physician available.
- B.19** Contractor shall require each employee providing services under this Contract to execute the Arrowhead Regional Medical Center Information Security and Confidentiality Agreement ("ISCA"), attached hereto as Attachment C to this Contract, and Contractor shall provide all such executed ISCA to the County prior to such employee providing services under this Contract.

C. GENERAL CONTRACT REQUIREMENTS

C.1 Recitals

The recitals set forth above are true and correct and incorporated herein by this reference.

C.2 Contract Amendments

Contractor agrees any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original Contract and approved by the person(s) authorized to do so on behalf of Contractor and County.

C.3 Contract Assignability

The Contract may not be assigned by either party without the prior written consent of the other party, which may not be unreasonably withheld, provided, however, that this Contract may be assigned by a party, without the consent of the other party, (i) to a wholly-owned subsidiary of such party, (ii) in connection with the sale of substantially all of the assets or a majority of the equity securities of such party in one or more related transactions, or (iii) by operation of law in

connection with a merger of such party, so long as the assignee agrees in writing to assume all liabilities under this Contract, including any duties and liabilities (known or unknown) accruing prior to the effectiveness of such assignment, provided that advance notice is given. The parties shall promptly execute a contract amendment to recognize the assignment.

C.4 Contract Exclusivity

This is not an exclusive Contract, except with respect to any Level of Care Services as described in Attachment D "II. Level of Care Services". With the exception of Level of Care Services, the County reserves the right to enter into a contract with other contractors for the same or similar services. The County does not guarantee or represent that the Contractor will be permitted to perform any minimum amount of work, or receive compensation other than on a per order basis, under the terms of this Contract.

C.5 Attorney's Fees and Costs

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

C.6 Background Checks for Contractor Personnel

Contractor shall ensure that its personnel (a) are authorized to work in the jurisdiction in which they are assigned to perform Services; (b) do not use legal or illegal substances in any manner which will impact their ability to provide Services to the County; and (c) are not otherwise disqualified from performing the Services under applicable law. If requested by the County and not in violation of applicable law, Contractor shall conduct a background check, at Contractor's sole expense, on all its personnel providing Services. If requested by the County, Contractor shall provide the results of the background check of each to the County. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process. Contractor personnel who do not meet the County's hiring criteria, in County's reasonable discretion, shall not be assigned to work on County property or Services, and County shall have the right, in its reasonable discretion, to refuse access to any Contract personnel to any County facility.

C.7 Change of Address

Contractor shall notify the County in writing, of any change in mailing address within ten (10) business days of the change.

C.8 Choice of Law

This Contract shall be governed by and construed according to the laws of the State of California.

C.9 Compliance with County Policy

In performing the Services, Contractor personnel (including subcontractors) shall (a) conduct themselves in a businesslike manner; (b) comply with the policies, procedures, and rules of the County regarding health and safety, and personal, professional and ethical conduct; (c) comply with the finance, accounting, banking, Internet, security, and/or other applicable standards, policies, practices, processes, procedures, and controls of the County; and (d) abide by all laws applicable to the County facilities and the provision of the Services, as are more fully described in this Contract.

County shall have the right to require Contractor's employees, agents, representatives and subcontractors to exhibit identification credentials issued by County in order to exercise any right of access under this Contract.

C.10 Confidentiality

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act, regulations have been

promulgated governing the privacy of individually identifiable health information. Contractor acknowledges that it is a business associate and subject to the requirements of HIPAA and HITECH, and their implementing regulations. Contractor agrees to fully comply with the applicable terms of HIPAA and HITECH, and regulations promulgated thereunder, and to direct any Subcontractors utilized to fulfill Services pursuant to this Contract to comply with said provisions. Contractor further agrees to comply with the requirements of all other applicable federal and state laws that pertain to the protection of health information.

C.11 Primary Point of Contact

Contractor will designate an individual to serve as the primary point of contact for the Contract. Contractor or designee must respond to County inquiries within two (2) business days. Contractor shall not change the primary contact without written acknowledgement to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.

C.12 County Internship Initiative

Contractor agrees to be contacted by the County to solicit its participation in an internship initiative known as GenerationGo! Career Pathways, involving the potential placement and hiring of interns by Contractor's business. Contractor may elect to utilize the County's program to aid the ***County's Vision for a skilled workforce and jobs that create countywide prosperity***, with the ***goal to Create, Maintain and Grow Jobs and Economic Value in the County***. The County's objective with its internship initiative is to focus on training, education, employment and support services to develop a more highly-educated and trained workforce. When participating in the County's internship initiative, the Contractor remains an independent contractor and shall not be construed as agents, officers, or employees of the County. More information about the County's GenerationGo! Career Pathways Program can be located at <http://wp.sbcounty.gov/workforce/career-pathways/>.

C.13 County Representative

The Hospital Administrator or his/her designee shall represent the County in all matters pertaining to the services to be rendered under this Contract, including termination and assignment of this Contract, and shall be the final authority in all matters pertaining to the Services by Contractor. If this contract was initially approved by the San Bernardino County Board of Supervisors, then the Board of Supervisors must approve all amendments to this Contract.

C.14 Damage to County Property

The parties acknowledge that the Contractor's employees, contractors and agents will only have access to County property at the request of the County. Nonetheless, Contractor agrees that it shall repair or cause to be repaired, at its own cost, all damages to County resulting from the willful or negligent acts of Contractor, its employees, contractors or agents. Contractor shall complete such repairs no later than 30 days after becoming aware of such damage.

C. 15 Debarment and Suspension

Contractor certifies that neither it nor its principals or subcontractors is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. (See the following United States General Services Administration's System for Award Management website <https://www.sam.gov>). Contractor further certifies that if it or any of its subcontractors are business entities that must be registered with the California Secretary of State, they are registered and in good standing with the Secretary of State.

C.16 Drug and Alcohol Free Workplace

In recognition of individual rights to work in a safe, healthful and productive work place, as a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

- C.16.1** Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
- C.16.2** Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.
- C.16.3** Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

The Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract and any other Contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

C.17 Duration of Terms

This Contract, and all of its terms and conditions, shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties, provided no such assignment is in violation of the provisions of this Contract.

C.18 Employment Discrimination

During the term of the Contract, Contractor shall not discriminate, nor harass nor retaliate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VI and Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

C.19 Environmental Requirements

In accordance with County Policy 11-08, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to the County whenever practicable.

To assist the county in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report the County's environmentally preferable purchases. Contractor must also be able to report on environmentally preferable goods and materials used in the provision of their service to the County, utilizing a County approved form.

C.20 Improper Influence

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of the Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of the Contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

C.21 Improper Consideration

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment or which might appear to be an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate this Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

C.22 Informal Dispute Resolution

In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

C.23 Legality and Severability

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

C.24 Licenses, Permits and/or Certifications

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses, permits and/or certifications in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses, permits and/or certifications. Failure to maintain a required license, permit and/or certification may result in immediate termination of this Contract.

C.25 Material Misrepresentation

If during the administration of this Contract, County reasonably determines that Contractor intentionally made a material misrepresentation regarding its eligibility or qualifications prior to the award of this Contract, which County reasonably relied on in determining the award of this Contract to Contractor then the County may terminate the Contract by providing Contractor with at least 30 days prior written notice.

C.26 Mutual Covenants

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of "good faith" and "fair dealing".

C.27 Nondisclosure

Each party shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential

information, as defined below that is either: (1) provided by the County to Contractor or an agent of the other party or otherwise made available to Contractor or Contractor's agent in connection with this Contract; or, (2) acquired, obtained, or learned by a party or an agent of that party in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialize and includes, but is not limited to, technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.

During the term of the Contract and for a period of five (5) years thereafter, the Parties agree to hold each other's proprietary or confidential information in strict confidence. All information identified by the disclosing party as proprietary or confidential, or that is of a nature that it should reasonably be considered as proprietary, trade secret or confidential, including, without limitation, information regarding the business, operations, finances, know-how, research, development, products, algorithms, technology, business plans or models, business processes, techniques, customers, computer systems and programs, intellectual property or strategies of the disclosing party shall be considered "Confidential Information". The Parties agree not to make each other's Confidential Information available in any form to any third-party or to use each other's Confidential Information for any purpose other than as specified in this Contract. Each Party agrees to take all reasonable steps to ensure that Confidential Information of the other Party is not disclosed or distributed by its employees, agents or contractors in violation of the provisions of this Contract. Each Party's Confidential Information shall remain the sole and exclusive property of that Party. Each Party acknowledges that any use or disclosure of the other Party's Confidential Information other than as specifically provided for in this Contract may result in irreparable injury and damage to the non-using or non-disclosing Party. Accordingly, each Party hereby agrees that, in the event of use or disclosure by the other Party other than as specifically provided for in this Contract, the non-using or non-disclosing Party may be entitled to equitable relief as granted by any appropriate judicial body.

Confidential Information shall not include information that the receiving party can demonstrate (i) was, at the time of its disclosure, or thereafter becomes, part of the public domain through no fault of the receiving party, (ii) was known to the receiving party at the time of its disclosure from a source other than the disclosing party, (iii) is subsequently obtained from a third party not under a confidentiality obligation to the disclosing party, (iv) was independently developed without use of any Confidential Information of the disclosing party by employees of the receiving party who have had no access to any such Confidential Information, or (v) is required to be disclosed pursuant to subpoena, court order, or government authority, provided that the receiving party has provided the disclosing party with sufficient prior written notice of such requirement, if possible, to enable the disclosing party to seek to prevent such disclosure and allows the disclosing party to participate in any proceeding requiring such disclosure.

Upon expiration or termination of this Contract, each receiving party shall, at the disclosing party's option, either return or destroy all Confidential Information of the other party and all copies thereof and other materials containing such Confidential Information, other than (a) Confidential Information archived in the ordinary course of business on electronic storage systems or media or (b) as required by applicable laws. Any such retained Confidential Information shall continue to be subject to the terms hereof. The receiving party shall confirm in writing its compliance with this paragraph.

Contractor understands that the County is a public entity subject to, among other laws, decisions, rules and statutes, the Ralph M. Brown Act, the California Public Records Act, and the Sunshine Ordinance in its County Code and Contractor consents to disclosure of information and writings, including but not limited to this Contract and Contract amendments, to the extent required by applicable law; provided, however, nothing in this Contract shall be construed as a waiver of any defenses or objections to, or notices of such disclosure accorded Contractor under applicable

law, and County shall use its best efforts to notify Contractor of any proposed, planned, compelled or requested disclosure as far in advance of such disclosure as is reasonably practicable.

C.28 Notice of Delays

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.

C.29 Ownership of Documents

All documents, data, and reports prepared by Contractor with County's data or information specifically for County pursuant to the Contract shall be considered property of the County upon payment for services. All such items shall be delivered to County at the completion of work under the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.

C.30 Participation Clause

The County desires that Municipalities, School Districts, and other Tax Districts within the County of San Bernardino requiring the same services provided herein may at their option and through the County Purchasing agent, avail themselves of this Contract. Upon notice, in writing, the Contractor agrees to the extension of the terms of a resultant contract with such governmental bodies as though they have been expressly identified in this bid, with the provisions that:

C.29.1 Such governmental body does not have and will not have in force any other contract for like purchases.

C.29.2 Such governmental body does not have under consideration for award any other bids or quotations for like purchases.

Such governmental body shall make purchases directly through and to the Contractor. The County will not be liable for any such purchase made between the Contractor and another governmental body who avails themselves of this contract.

C.31 Reserved

C.32 Records

Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

All records relating to the Contractor's personnel, consultants, subcontractors, Services/Scope of Work and expenses pertaining to this Contract shall be kept in a generally acceptable accounting format. Records should include primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must comply with the appropriate Office of Management and Budget (OMB) Circulars which state the administrative requirements, cost principles and other standards for accountancy.

C.33 Relationship of the Parties

Nothing contained in this Contract shall be construed as creating a joint venture, partnership, or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.

C.34 Release of Information

No news releases, advertisements, public announcements or photographs arising out of this Contract or the relationship between the parties may be made or used without prior written approval of the other party, except as required by law.

C.35 Representation of the County

In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino.

C.36 Strict Performance

Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.

C.37 Subcontracting

Contractor shall obtain County's written consent, which County may not unreasonably withhold or deny, before entering into Contracts with or otherwise engaging any subcontractors who may supply any part of the Services to County. At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of proposed subcontractor personnel. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Section G. All approved subcontractors shall be subject to the provisions of this Contract applicable to Contractor Personnel.

For any subcontractor, Contractor shall:

- 37.1** Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions; and
- 37.2** Ensure that the subcontractor follows County's reporting formats and procedures as specified by County.
- 37.3** Include in the subcontractor's subcontract substantially similar terms as are provided in Sections B. Contractor Responsibilities, C. General Contract Requirements and G. Insurance and Indemnification.

Upon expiration or termination of this Contract for any reason, County will have the right to enter into direct Contracts with any of the Subcontractors. Contractor agrees that its arrangements with Subcontractors will not prohibit or restrict such Subcontractors from entering into direct Contracts with County.

C. 38 Subpoena

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Goods or Services provided under this Contract is served upon Contractor or County, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and County further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise provided herein in connection with defense obligations by Contractor for County.

C.39 Termination

39.1 Termination for Convenience

Based upon the Contractor's representation of additional financial commitments undertaken solely to meet its obligations under this contract, the County and the Contractor may elect to terminate the Contract, for any reason, with a thirty (30) day written notice of termination upon expiration of the initial 12 months of the Contract term. Such termination may include all or part

of the services described herein. Upon such termination, payment will be made to the Contractor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

39.2 Termination for Cause

Each Party shall have the right to terminate this Contract in its entirety or with respect to individual Statements of Work upon written notice to the other Party in the event that the other Party is in default of the performance of any material obligation imposed under this Contract or any Statement of Work and the default has not been substantially cured to the satisfaction of the non-defaulting party within thirty (30) days following receipt by the defaulting party of written notice of the default.

C.40 Time of the Essence

Time is of the essence in performance of this Contract and of each of its provisions.

C.41 Venue

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be heard and determined in the federal court sitting in Riverside, California..

C.42 Conflict of Interest

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the County. Contractor shall make a reasonable effort to prevent employees, Contractor, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. At no time or under any circumstances may Contractor offer any thing of value to County employees or agents which might influence or appear to influence procurement decisions. In the event the County determines a conflict of interest situation exists, any increase in costs, associated with the conflict of interest situation, may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant

C.43 Former County Administrative Officials

Contractor agrees to provide, or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

C.44 Disclosure of Criminal and Civil Procedures

The County reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in a termination of the Contract. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information discovered may result in Contract termination.

Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

D. TERM OF CONTRACT

This Contract is effective as of June 9, 2020 and expires June 8, 2025, but may be terminated earlier in accordance with provisions of this Contract.

E. COUNTY RESPONSIBILITIES

- E.1** Reimburse Contractor in accordance with the Fiscal provisions in section F. County net terms are 60 days.
- E.2** The County reserves the right to approve or reject any servicing methods, material, supplies and/or equipment to be used by the Contractor, as well as approval and disapproval of all personnel.
- E.3** The County will not be responsible for Contractor's supplies, equipment, material, or personal belongings that may be damaged, lost, or stolen.

F. FISCAL PROVISIONS

- F.1** The maximum amount of payment under this Contract shall not exceed \$750,000, according to the schedule in Attachment A "Pricing Terms". The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.
- F.2** Invoices shall be issued with a net sixty (60) day payment term with corresponding Purchase Order number stated on the invoice.
- F.3** Contractor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.

- F.4** County is exempt from Federal excise taxes and no payment shall be made for any personal property taxes levied on Contractor or on any taxes levied on employee wages. The County shall only pay for any State or local sales or use taxes on the services rendered or equipment and/or parts supplied to the County pursuant to the Contract.
- F.5** Costs for services under the terms of this Contract shall be incurred during the contract period except as approved by County. Contractor shall not use current year funds to pay prior or future year obligations.
- F.6** Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. Contractor shall not claim reimbursement or payment from County for, or apply sums received from County with respect to that portion of its obligations that have been paid by another source of revenue. Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of the County.
- F.7** Contractor shall adhere to the County's Travel Management Policy (8-02 and 08-02SP1) when travel is pursuant to this Contract and for which reimbursement is sought from the County. In addition, Contractor is encouraged to utilize local transportation services, including but not limited to, the Ontario International Airport.

G. INDEMNIFICATION AND INSURANCE REQUIREMENTS

G.1 Indemnification

Contractor Intellectual Property Indemnification. Contractor shall indemnify, defend and hold harmless County and its directors, officers and employees ("County Indemnitees") from and against any and all claims and losses arising out of any third party claims, in each case to the extent arising out of or resulting from the alleged infringement of any Intellectual Property of any third party as a result of any County Indemnitee's receipt or use of any Services or the Contractor Technology in compliance with this Contract. The foregoing obligation does not apply to any claim or loss arising out of or resulting from: (a) modification of the Contractor Technology other than (i) by or on behalf of Contractor or any Contractor Service Provider; or (ii) with Contractor's prior written consent in accordance with Contractor's written specifications; (b) combination of the Contractor Technology with any products or services from any third party or any other system other than as authorized or directed by Contractor or any Contractor Service Provider as demonstrated in writing; or (c) failure to timely implement any modifications, upgrades, replacements or enhancements made available to County by Contractor or any Contractor Service Provider.

Contractor Other Indemnification. Contractor shall indemnify, defend and hold harmless County and the County Indemnitees from and against any and all claims and losses arising out of any third party claims, including any governmental claims, in each case to the extent based upon, relating to or resulting from Contractor's (a) gross negligence or willful misconduct, (b) violation of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or (c) breach of any of its obligations, representations and warranties hereunder, in each case above which are not caused by the willful misconduct of County or directed by County.

Each party's total cumulative liability under this Contract and each statement of work shall be capped at an amount equal to 2x the total Fees paid by County to Contractor during the initial twelve-months of the Contract; provided, however, that such cap shall not apply to: (a) claims arising out of a party's, or such party's employees', vendors' or agents' willful or intentional misconduct; (b) personal bodily injury or death or physical property damage; (c) taxes assessed against one party that are the responsibility of the other party; (d) a party's infringement of any Intellectual Property belonging to a third party; and/or (e) payments for Services rendered prior to termination or expiration of this Contract and claims for benefit of the bargain damages for a

wrongful termination of this Contract or any Statement of Work. Except for claims based on allegations of personal injury or death, with respect to the indemnification obligations for claims by third-parties, neither party's aggregate liability shall exceed the lesser of (a) 5x the total Fees paid by County to Contractor during the initial twelve-months of the Contract, or (b) two million dollars (\$2,000,000).

Notwithstanding Contractor's other obligations, in the event of an error or omission in the performance of Services, County's sole remedy is re-performance of the Services by Contractor at no additional cost. If Contractor is unable to re-perform the Services, County may seek any other remedy available at law. In no event shall Contractor be liable for any amounts with respect to special, indirect, consequential, incidental or exemplary damages, or for any claim for the loss of profits. County acknowledges that, if applicable, audits of its records may periodically result in down-coding and potential recoupment of overpayments by a third-party in connection with services provided by County. County agrees that in no event will any down-coding adjustments and recoupment, arising out of or in connection with Contractor's provision of Services be deemed a "loss" constituting damages caused by Contractor and incurred by County, it being agreed that any such recoupment and associated costs and expenses incurred will be the sole responsibility of County.

Contractor will use reasonable care in processing County medical records. Contractor will not be responsible for any incorrect information transmitted by County, County's patients or a third party, or for any erroneous or incomplete billing resulting from such incorrect information. Contractor provides Services without any specific guarantee of performance or any particular level of cash collections. County acknowledges that Contractor bears no responsibility for the actions of any prior vendor regardless of whether Contractor assumes responsibility for collections of accounts billed by such vendor.

G.2 Additional Insured

All policies, except for Worker's Compensation, Errors and Omissions and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

G.3 Waiver of Subrogation Rights

The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

G.4 Policies Primary and Non-Contributory

All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

G.5 Severability of Interests

The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

G.6 Proof of Coverage

The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

G.7 Acceptability of Insurance Carrier

Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

G.8 Deductibles and Self-Insured Retention

Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

G.9 Failure to Procure Coverage

In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

G.10 Insurance Review

Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

- G.11** The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- G.11.1 Workers' Compensation/Employer's Liability** – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

G.11.2 Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Explosion, collapse and underground hazards.
- e. Personal injury.
- f. Contractual liability.
- g. \$2,000,000 general aggregate limit.

G.11.3 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

G.11.4 Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

G.11.5 Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance – Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

G.11.6 Reserved

G.11.7 Cyber Liability Insurance - Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$2,000,000 covering privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved County entities and cover breach response cost as well as regulatory fines and penalties.

H. RIGHT TO MONITOR AND AUDIT

The County shall have the right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have the right to monitor the performance of Contractor in the delivery of services provided under this Contract. The parties acknowledge that audits may also be initiated by State or Federal agencies. Contractor shall give reasonable cooperation, in any auditing or monitoring conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with all applicable reporting requirements to the extent required by law. With respect to any such audit or investigation, Contractor shall have the right to require appropriate protections of its confidential

or proprietary information belonging to Contractor or its clients. In the event of an audit or investigation, Contractor will identify the information it deems confidential or proprietary.

I. WARRANTIES AND CORRECTION OF PERFORMANCE DEFICIENCIES

- I.1** Consultant's Primary Contact and County Representative shall attempt in good faith to promptly resolve any dispute, controversy or claim arising out of this Contract.
- I.2** If any services performed hereunder are not in conformity with the specifications and requirements of this Contract, Contractor shall correct its performance to conform with said specifications and requirements at no additional cost to County.

J. TESTIMONY

If during or after the Term of this Contract, County requests or legally compels any R1 or any R1 Service Provider to either give testimony or produce documents or both in any court, investigative or regulatory proceeding or other legal process (including any form of discovery related there), other than in any such proceeding where R1 or any of its personnel are a party, Client will reimburse R1 or R1 Service Provider at the applicable rate for the time of the participating professional, together with all expenses associated with such activity, including the fees and expenses of R1's counsel, if counsel is deemed necessary by R1.

K. NOTICES

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

County of San Bernardino
Arrowhead Regional Medical Center
400 North Pepper Avenue
Colton, CA 92324
Attn: Hospital Director

R1 RCM, Inc.
401 N. Michigan Avenue Ste. 2700
Chicago, IL 60611
Attn: Chief Executive Officer
With a copy to: General Counsel

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

L. ENTIRE AGREEMENT

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will.

N. COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission. Each person signing below represents that he or she has the authority to sign this Contract for and on behalf of the party for whom he or she is signing. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.

Signature page follows.

IN WITNESS WHEREOF, the County of San Bernardino and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

COUNTY OF SAN BERNARDINO

►
Curt Hagman, Chairman, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
Of the County of San Bernardino

By _____
Deputy

R1 RCM Inc.
(Print or type name of corporation, company, contractor, etc.)

DocuSigned by:
By ► Logan Johnston
(Authorized signature - sign in blue ink)

Name Logan Johnston
(Print or type name of person signing contract)

Title EVP - Central Operations
(Print or Type)

Dated: 5/28/2020

FOR COUNTY USE ONLY

Approved as to Legal Form	Reviewed for Agreement Compliance	Reviewed/Approved by Department
► Charles Phan, Deputy County Counsel	►	► William L. Gilbert, Hospital Director
Date _____	Date _____	Date _____

ATTACHMENT A**PRICING TERMS**

COMPLIANCE SERVICES			
Service Type	Vol. Monthly Minimum Options	Payor Type	Pricing²
Physician Admission Reviews (LOC)	None*	All Payors	• \$210 per case ¹
TAR Free			
Daily First Level Reviews	None	Medi Cal	• \$40 per day reviewed
Daily Second Level Reviews	None	Medi Cal	• \$100 per day reviewed
APPEALS SERVICES			
Service Type		Payor Type	Pricing²
Initial Review		All Payors	Variable rate based on professional status of reviewer, if Initial Review takes more than one hour ³ Single issue, viability review -- \$125
Appeals on cases where R1 provided concurrent secondary review		Medicare only	<ul style="list-style-type: none"> • If Client follows R1 recommendation, no cost for redetermination and reconsideration unless Services Agreement terminated. If Services Agreement terminated, all status assurance commitments expire 90 days after termination. • \$350 per case for each ALJ Review • Price to be agreed upon for appellate review and beyond
Appeals ³ (including non-concurrent LOC cases)		All Payors	<ul style="list-style-type: none"> • \$260 per case per level for redetermination and reconsideration (Levels I and II) • \$350 per case for ALJ Review, \$450 additional if R1 is requested at the hearing telephonically • Price to be agreed upon for appellate review and beyond
Appeals Shipping and Administrative Costs		All Payors	Costs per appeal will be invoiced monthly

Additional LOC and Appeals Services		All Payors	Variable rate based on professional status of Staff required ⁴ and/or as agreed to by the Parties
START-UP Services			Pricing²
Standard Set-up, training and implementation ⁵			\$5,000 one-time per Facility

- 1 The price per case applies to all reviews of one individual patient during a continuous hospital stay. A subsequent hospital stay for that same patient would be deemed a new case.
2. All prices will be increased annually by two percent on the anniversary of the Agreement Effective Date.
3. Where the amount in controversy for a Commercial Payor exceeds \$50,000, and or length of stay exceeds 10 days, the rate cited below (see footnote #4) applies for the first two hours and thereafter at the hourly physician rate.
4. Hourly rates for Care Management Consulting, Utilization Review Committee, clinical points of view, time for additional work required for Complex Cases, Contract Reviews, Lectures and Engagements:
- Additional consultations, services and educational lectures:
 - Business Professional/ Case Manager - \$175 per hour
 - IT Integration - \$150 per hour
 - Physician - \$250 per hour
 - Analyst Support - \$150
5. Travel and related expenses are included in the Standard Set-up services. To the extent Client requests Additional Compliance Services and or special engagements which require travel or other expenses, R1 and Client agree that such expenses shall be invoiced to Client on the 15th day of the month following the delivery of the Additional Compliance Services.

* **Monthly Volume Estimates**

The below chart estimates the customer's volumes for services as well as the total estimated costs of those services per month. In the event the customer submits less than seventy-five percent (75%) of the total monthly Physician Admission Reviews (LOC) & TAR Free estimates, R1 RCM will bill 110% of the contracted per case fee for that given month.

Monthly Volume Estimates		
Primary Service Offerings	Estimated Monthly Volumes	Total Monthly Estimated Fees
TAR Free Reviews	20	\$1,300
Physician Admission Reviews (LOC)	20	\$4,200

ATTACHMENT B**BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between the County of San Bernardino on behalf of Arrowhead Regional Medical Center (hereinafter Covered Entity) and R1 RCM Inc. (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

RECITALS

WHEREAS, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

WHEREAS, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

WHEREAS, The Privacy Rule and the Security Rule require CE and BA to enter into a contract containing specific requirements prior to the disclosure of PHI to BA, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

WHEREAS, Pursuant to HIPAA and the HITECH Act, the parties shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.
3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.
4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.
5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.
6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.
7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.
8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.
9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.
10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

B. Obligations and Activities of BA

1. Permitted Uses and Disclosures

BA may use or disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA, including its obligations under the Contract; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

2. Prohibited Uses and Disclosures

- i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, subcontractors, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.
- ii. BA shall not use or disclose PHI for fundraising or marketing purposes.
- iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)
- iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

3. Appropriate Safeguards

- i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to, administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]
- ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.
- iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

4. Subcontractors

BA shall enter into written agreements with agents and subcontractors to whom BA provides CE's PHI that impose substantively the same restrictions and conditions on such agents and subcontractors that apply to BA with respect to such PHI, and that require compliance with all appropriate safeguards as found in this Agreement.

5. **Reporting Security Incidents or Improper Uses or Disclosures.** BA shall promptly, but in no later than three (3) business days, report to CE any Security Incident (as defined in HIPAA) of which it becomes aware. CE and BA hereby agree that attempted Security Incidents that fail to be successful and consequently fail to result in the unauthorized use or disclosure of EPHI, such as pings and other broadcast attacks on the BA's firewall, port scans, unsuccessful log-on attempts, and denials of service occur, and that this constitutes BA's report and notification to CE of such events, and that no further reporting of such unsuccessful Security Incidents is required under this Agreement.

6. Reporting of Improper Access, Use or Disclosure or Breach

Every actual Breach shall be reported immediately, but no later than three (3) business days upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

- i. Provide CE's Office of Compliance with information, including but not limited to the following, if known:
 - a) Date the Breach occurred;
 - b) Date the Breach was discovered;
 - c) Number of staff, employees, subcontractors, agents or other third parties and the names and titles of each person allegedly involved;
 - d) Number of potentially affected Individual(s) with contact information; and
 - e) Description of how the Breach allegedly occurred.
- ii. To the extent possible, conduct and document a risk assessment by investigating without unreasonable delay and in no case later than five (5) calendar days of discovery of the Breach to determine the following:
 - a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;
 - b) The unauthorized person who had access to the PHI;
 - c) Whether the PHI was actually acquired or viewed; and
 - d) The extent to which the risk to PHI has been mitigated.
- iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within fifteen (15) calendar days of discovery of the Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.
 - a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.
 - b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.
- iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies during regular business hours, any policies, procedures, internal practices and records relating to a Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

7. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE and CE does not maintain a duplicate Designated Record Set, BA shall make PHI maintained by BA or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

8. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

9. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

10. Accounting for Disclosures

BA, its agents and subcontractors shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner designated by the CE. BA

agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

11. Termination

Upon a party's knowledge of a material breach by the other party, the non-breaching party shall either, at the discretion of the non-breaching party,:

(a) Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement and the related Contract, if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party, which shall not be less than thirty (30) days; or

(b) Immediately terminate this Agreement and the related Contract if breaching party has breached a material term of this Agreement and cure is not possible.

12. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA or its subcontractors, employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA or its subcontractors, employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

13. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

14. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents or subcontractors in violation of the requirements of this Agreement.

15. Costs Associated to Breach

To the extent a Breach is due to an act or omission of BA, BA shall be responsible for reasonable costs of the legally required notification. CE shall determine the method to invoice the BA for said costs. Subject to this Section 15, costs shall reflect actual expenses paid by CE and may include, but are not limited to the following:

- Postage;
- Alternative means of notice; including substitute notice provided on CE's website;
- Media notification; and
- Credit monitoring services.

16. Direct Liability

BA may be held directly liable under HIPAA to the Secretary of HHS, for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures; and, failure to enter into a business associate agreement with subcontractors.

17. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, penalties, injuries, costs and expenses (including

costs for reasonable attorney fees) that are caused by or result from the acts or omissions of BA, its officers, employees, agents and subcontractors, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications

18. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is found criminally liable for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a conclusive determination is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws. BA shall notify CE if it is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

19. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

20. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any subcontractors, employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy based upon an act or omission by BA or any of its subcontractors, employees or agents, except where BA or its subcontractor, employee or agent is a named adverse party.

C. Obligations of CE

1. CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:
 - i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.
 - ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.
 - iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.
 - iv. CE represents and warrants that it shall limit its disclosure of PHI to BA to the minimum necessary for BA to carry out its intended and authorized duties under the Contract and this Agreement.
 - v. CE represents and warrants that it has obtained or shall obtain all necessary consents, authorizations and/or other permissions that may be required under HIPAA and/or other applicable law to disclose PHI to the BA.
 - vi. CE represents and warrants that it has provided individuals with a Notice of Privacy Practices which permits the BA to use PHI as necessary to perform its duties under the Agreement, and that this Notice of Privacy Practices incorporates the terms and statements required by HIPAA or other applicable law.

D. General Provisions

1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by BA or any agent or subcontractor of BA that received PHI from BA.

2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE and BA to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

ATTACHMENT C
ARROWHEAD REGIONAL MEDICAL CENTER
INFORMATION SECURITY AND CONFIDENTIALITY AGREEMENT

Arrowhead Regional Medical Center (ARMC) provides certain materials, information resources and technology as well as limited access to confidential or restricted operational and/or patient information to authorized users for the purposes of carrying out assigned duties only as necessary to fulfill job requirements or contractual obligations or as required by law. All authorized users of ARMC information and resources are required to protect, to the extent possible and at all times, the Confidentiality, Integrity and Availability (CIA) of such assets and information as a condition of continuous employment or business relationship with ARMC.

All hardware, software, information and communications data, purchased, created, stored or transmitted on any ARMC owned or controlled technology, system, network or device is the sole property of ARMC and is not to be used, sold, duplicated, transferred, distributed, removed, altered, deleted or destroyed without the prior express written permission of ARMC.

Misuse of any ARMC information access privileges or information technology (including electronic communications such as email and Internet access) may result in disciplinary action up to and including termination of employment or contract, or expulsion from training programs. Misuse includes but is not limited to:


1. Using ARMC time and resources for personal gain, under false pretenses, for malicious harm, or for advertising for personal services or expressing personal opinions
2. Posting, sending or attempting to post or send threatening, offensive, inappropriate or unauthorized messages; downloading or uploading any unauthorized data or software; adding to removing, modifying/installing anything to or from computer systems or devices without prior authorization
3. Using or sharing ones own or another's User ID or password or any other access control mechanism (e.g. ID badge, keys, pin codes, etc.); failing to lock/log off or otherwise secure workstation/computers
4. Attempting to break into or use ARMC's network or another computing facility for unauthorized or inappropriate activities including, but not limited to, sending or receiving copyrighted documents and/or software in violation of copyright laws or license agreements, gambling, pornography, illegal drugs, hate speech or any other criminal activity;
5. Releasing or attempting to release computer viruses, malicious code, worms, spam emails or unauthorized software or data that may adversely effect the operation of the network
6. Using, transmitting, sending, faxing, mailing, distributing or disclosing confidential or restricted information in an unsecured fashion, using an unsecured mode or medium or without proper authority or authorization in violation of ARMC policy or state or federal law.

Logan Johnston

I, Logan Johnston, as an employee of R1 RCM, I understand the above statements and that all resources are provided for business purposes only and will be returned upon my separation from Arrowhead Regional Medical Center. I will not modify or tamper with any information technology device I am provided with. I will not modify any computer or device I am allowed to use. I also understand that I must protect the Confidentiality, Integrity and Availability of all ARMC proprietary, confidential or restricted information placed in my care or which I may come across during my course of employment or use of ARMC information and resources. I will not access information for non-business purposes, store patient information on any personally owned or unencrypted devices or post patient information on any web-based blogs or websites. I have read and agree to comply with ARMC policies and state and federal laws concerning the privacy, security and confidentiality of information and assets.

Logan Johnston
 R1 RCM INC. EMPLOYEE - PRINT NAME

DATE 5/28/2020

DocuSigned by:

 SIGNATURE

EVP - Central Operations
 DEPARTMENT/AGENCY

ATTACHMENT D

Services

I. General Introduction to Level of Care Services.

Client understands and agrees that, as part of the Services, R1 makes recommendations as to appropriate billing and documentation only and does not provide any medical or clinical advice or consultation as to patient care. All decisions and activities with respect to quality and utilization review, documentation, billing and/or medical treatment remain the sole responsibility of Client, its employees, third party contractors and medical staff members. During the Term of this Agreement, R1 will work with case managers and attending and consulting physicians to review whether the chart documentation regarding the patient meets the appropriate requirements of payors for billing on a concurrent basis, subject to the limitations described below.

Where there is a disagreement or uncertainty as to billing status before the claim has been filed, upon Client's request, R1 may discuss the Nurse Utilization Review Result or Admission Review Result with the Client's attending physician or any other person designated by Client.

At Client's request, R1 Physicians may also discuss their Physician Recommendations with the Client's attending physician ("Peer to Peer Discussions") and/or health plan medical directors ("Payor Peer to Peer Discussions"). After the patient has been discharged and before the claim is billed, upon Client's request, R1 may also review the documentation and make a Physician Recommendation as to appropriate billing and request Payor Peer to Peer Discussions (all Payor Peer to Peer Discussions are subject to Section III (D) of this Attachment). Post discharge reviews of previously billed claims may also be conducted for educational or compliance reasons (all post discharge reviews of cases, excluding Appeal Services, which are conducted by R1 Nurses or Physicians are deemed "Retrospective Reviews"). Finally, upon request of Client, R1 may undertake other activities, including, without limitation, post discharge audits of various procedures or concurrent compliance review of the appropriateness of billing certain procedures as may be requested from time to time by Client ("Additional Level of Care Services").

II. Level of Care Services.

Level of Care Services assist Client in concurrently evaluating the appropriateness of documentation for billing admissions, including inpatient or observation/outpatient status ("Admission Review").

- A. Nurse Utilization Review or First Level Review Services: A Client may request R1 Registered Nurses ("Nurses") to apply evidence based clinical decision support criteria, selected by Client, to clinical information provided by Client and report the outcome of the analysis as to whether a patient is appropriately categorized for billing purposes as inpatient or observation/outpatient status ("Nurse Utilization Review Result"). A Client may request R1 provide a Physician Recommendation following the Nurse Utilization Review Result.
- B. Physician Admission Reviews or Second Level Review Services: A Client may also request that R1 Physician Advisors ("Physicians") analyze the documentation and billing requirements and apply professional judgment and R1 proprietary guidelines in making a Physician Recommendation as to whether the appropriate billing status is inpatient or outpatient/observation. R1 may conduct these activities when the patient is in the facility or post-discharge. Client may also mark a case for the "Expedite Service", which jumps that individual case to the front of the PAS Portal queue of cases for expedited handling.

- C. Physician or Nurse Retrospective Reviews assist Client to review compliance regarding inpatient admission and observation billing or other utilization of care issues after the patient has been discharged. Client may request such reviews and recommendations before the claim is billed as to the appropriate status (normally within 48 hours of discharge). After the claim has been billed, Physician or Nurse Retrospective Reviews may also be used as part of Client's internal compliance review of claims or educational efforts.
- D. Upon Client's request, R1 Physicians and Nurses may consult by telephone with the treating physicians regarding the reason for the R1 Physician Recommendation ("Peer to Peer Discussion") or Nurse Utilization Review Results. Client may also designate other persons at the Facility or Affiliated Hospital with whom the Nurse or Physician Advisor should consult.
- E. Upon Client's request and prior to the claim being billed, Client may request R1 Physician Advisors to consult by telephone with a health plan medical director ("Payor Peer to Peer Discussion"). As a condition of undertaking such Payor Peer to Peer Discussion, R1 must receive within three (3) business days from the Client's request, all relevant clinical information. Without limitation, the clinical information must include the following:
- entire relevant medical record, including history and physical examination(s) and updated handwritten physician progress notes;
 - updated case manager discussion notes, including any health plan medical director rationale for inpatient denial; and
 - social work and discharge planning consultation notes.

Following receipt of sufficient clinical information, R1 will make two attempts to contact the health plan medical director in a commercially reasonable time frame.

- F. Level of Care Services described above are delivered subject to R1 procedures and policies as described on the R1 Portal and incorporated herein and also the following understandings and agreements:
- Client agrees to submit all available and relevant clinical information for the patient to R1 utilizing R1 Portal which will be utilized for tracking and documenting all cases referred to R1's physician advisors. R1 will notify Client if it reasonably determines the clinical information is not sufficient for purposes of making a Physician Recommendation.
 - R1 will use commercially reasonable efforts to make Nurse Utilization Review Results and Physician Recommendations in a time frame which promotes efficient billing and/or retrospective review for Client.
 - Physician Recommendations and Nurse Utilization Review Results will be documented in an auditable format suitable for the Client's staff to incorporate into applicable Client business records or case management files.
 - R1 disclaims any responsibility for Nurse Utilization Review Results to the extent Client has not provided R1 the complete clinical documentation available at the time Client requests such Nurse services. Further, Client must agree with R1, in writing, as to the process by which it will identify and provide R1 the cases to be reviewed and the identity of Client designees with whom R1 Nurses will discuss the process and communicate the Nurse Utilization Review Results. The agreed upon case identification process shall be deemed incorporated into this Agreement by reference. Nurse will notify Client's designee if they determine the clinical information is not sufficient for applying the evidence based criteria selected by Client.

- G. Additional services may be requested from time to time and agreed to by the Parties during the term of this Contract. Additional services may include, without limitation, the following:
- Collaborative efforts to identify unique Client physician education opportunities on an on-going basis.
 - Review of the appropriateness of the billing for specific procedures based on changes which may occur in Medicare or Medicaid guidelines.
 - To the extent permitted by applicable law, on-site attendance and reports (the contents of which will be agreed upon in advance) at Medical Staff meetings, Medical Executive Committee meetings, RAC Committee meetings and Utilization Review Committee meetings to provide additional Client support and education.

III. Limitations Regarding Level of Care Services

- A. The R1 Physician Recommendation or Nurse Utilization Review Result does not constitute directions or conclusions regarding the appropriateness of the clinical care that is currently being provided, or has previously been provided to the patient, nor, if done on a concurrent basis, should it be interpreted to limit any present or future provision of medical services and/or supplies to the patient. R1 is only providing an analysis regarding appropriate billing and documentation based on such factors as the Nurse's application of evidence based criteria and/or the Physician's assessment of the patient's chart, the Physician Advisors' professional judgment and R1's proprietary guidelines derived from evidence-based medicine (collectively the Physician Advisors' judgments as informed by R1 proprietary guidelines is deemed "R1 Know-How"). R1 also utilizes its knowledge of applicable Medicare Part A and Part B ("Medicare Fee-For-Service") guidelines in formulating its Physician Recommendation. Client agrees that any decision regarding patient classification, medical treatment, level of care or changes in admission status may only be made by the Client's qualified clinicians, or in the case of Code 44, the Client's Utilization Review Committee with the concurrence of the attending physician, and Client will use the Nurse Utilization Review Result and Physician Recommendation only to facilitate appropriate billing and documentation of the health care services provided to a patient.
- B. For patient care which is not covered or paid for by Medicare Fee-For-Service, or Medicaid Fee-For-Service programs, such as patient care paid for by commercial payors or government demonstration projects, the applicable payor or demonstration project contracts, policies and procedures shall apply. Hereinafter, the term "Commercial Payors" shall be used not only to refer to private insurers and plans, but also to those commercial payors who manage Medicare and Medicaid reimbursement, including, without limitation, Medicare Advantage Programs. Commercial Payor contract requirements and government demonstration projects may have terms and conditions which can be somewhat different than Medicare and Medicaid Fee-For-Service guidelines. R1 Physician and Nurse advisors performing Level of Care Services are not expected to know the specific terms of each of Client's Commercial Payor contracts, or all Payor policies and procedures or those of a demonstration project. R1 Physician Advisors employ best efforts to know Payor Medical Claims Policy Guidelines. Thus, despite a Nurse Utilization Review Result or a Physician Recommendation, a claim may be denied for payment if the requirements of Commercial Payor contracts, policies or procedures or government demonstration projects are not followed. The Client and its employees and medical staff are responsible for compliance with such requirements and, therefore, R1 is not responsible for compliance therewith.

IV. General Introduction to Appeal Services. During the Term of the Agreement, R1 will provide Appeal Services to Clients, including appeals of claims which were denied by a payor, whether Medicare Fee-For-Service, Medicaid Fee-For-Service or Commercial Payors and other types of denials upon request (“Miscellaneous Appeals”). Denials which may be appealed include, but are not limited to, medical necessity for inpatient admissions and continued stays, and DRG validation/coding errors, either as individual denials or as part of an audit, such as one conducted by the RAC or other governmental contractors. Notwithstanding the foregoing, and as further described in Section V below, not all claims will be accepted by R1 for Appeal Services. Furthermore, R1 will bill for Appeal Services as set forth in Contract Attachment A “Pricing Terms”, the fees for which R1 will conduct the Appeal Services differ based upon whether: (i) R1 had previously conducted Level of Care Services and made a Physician Recommendation prior to billing the claim; (ii) Initial Screening; (iii) the payor type; (iv) the Appeal Level (as defined in Section VI below); and (v) the type of denial.

V. Limitations Regarding Appeal Services.

- A. Appeal Viability Review. R1 shall conduct an initial review to determine whether it will accept any individual claim for appeal. The initial review consists of the following types of examinations depending upon the type of claim filed and whether R1 made a Physician Recommendation as to the claim prior to the time it was submitted to the applicable payor:
- First, R1 will determine whether the Client has delivered to R1 “Full Documentation” regarding the claim at least thirty (30) calendar days before the appeal is due to the payor, or in any case where Client is seeking to stay recoupment, such other time frame as may be agreed to by the Parties (“Required Time Frame”). “Full Documentation” means documentation that includes all of the following: a completed R1 denial form; the complete medical record; denial letter or other evidence of denial, as otherwise requested by R1; and any correspondence regarding the denial and copies of letters of authorization or other documentation required to be submitted by Client to payor, where applicable. For denials by Commercial Payors, Full Documentation also includes the applicable payor contracts and policies and procedures. At any given Appeal Level, as defined in Section VI below of this Attachment, Client is solely responsible for providing R1 with all information R1 requires to conduct the appeal at the applicable Appeal Level. R1 shall not be liable for missed due dates either at the initial Appeal Level or thereafter as a result of Client’s failure to provide timely and complete information.
 - Second, to the extent R1 made the Physician Recommendation prior to filing the claim, the Initial Review will examine: (i) whether the claim submitted is consistent with the Physician Recommendation; and (ii) whether the grounds for denial contradicts the R1 Physician Recommendation (“Physician Recommendation Requirements”). In order to facilitate the determination that R1 made the Physician Recommendation prior to the filing the claim, R1 will make a concurrent record of all cases in which it makes a Physician Recommendation and will make those records promptly available upon Client’s request.
 - Third, after review by R1 staff with appropriate knowledge and expertise, R1 agrees with the Client that there is a substantial clinical or coding basis for appeal.

- B. Client agrees to promptly inform R1 in writing that, to the best of Client's knowledge, the claim subject to appeal is not being reviewed by DOJ, OIG, CMS or other state or federal governmental agencies, and Client agrees that it will inform R1 of any investigation within ten (10) days after receipt of notification as set forth in Section 15 of the Contract. R1 will not accept such claims for appeal and may at any time cease appealing such claim if it becomes aware of any such investigation.
- C. At any given Appeal Level, Client is responsible for providing R1 with all information R1 requires to conduct the appeal at the applicable Appeal Level. R1 shall not be liable for missed due dates either at the initial Appeal Level or thereafter as a result of Client's failure to provide timely and complete information.

VI. Appeal Levels. Subject to the limitations described above, to the extent R1 accepts a claim for appeal after Initial Review, and following Client's authorization to proceed, R1 will facilitate the appeal process through various levels of appeal depending on the payor type ("Appeal Levels"). For Medicare Fee-For-Service claims, the Appeal Levels R1 may perform include: (i) redetermination; (ii) reconsideration; (iii) request for, or hearing before administrative law judges (collectively "ALJ Review"); (iv) review before the Departmental Appeals Board ("DAB Review"); and (v) judicial review in U.S. District Court, Federal Appellate Court or the Supreme Court. Likewise, for Medicaid Fee-For-Service appeals, R1 may assist with internal levels of appeal at various stages as well as administrative and judicial hearings, although the applicable internal Appeal Levels may differ from those of Medicare Fee-For-Service and from state to state. For Commercial Payors, the Appeal Levels will include only the internal levels of appeal identified by the payor. The Client and R1 shall agree to the extent of the appeal process for Miscellaneous Appeals. Client further understands and agrees that the obligation to appeal at any Appeal Level exists only during the Term of the Agreement, subject to the "Appeals Client Termination Process" as described in Section VII(B) of this Attachment, unless the Parties otherwise agree in writing.

VII. Appeal Services.

- A. Appeal Services are delivered subject to R1 policies and procedures described on the R1 Portal, which are incorporated herein, and the following understandings and agreements:
 - Client will use its best efforts to use the R1 Portal to provide the Full Documentation and any Additional Payor Guidelines, or other communications to R1 during the Appeal process. If Client does not use the R1 Portal for transmission, Client and R1 must agree in advance to another secure form of data communication regarding Appeals.
 - After an Initial Review, appropriate for the appeal type, R1 will: (1) recommend to Client whether it will appeal the claim; and (2) if R1 accepts the claim, initiate the appeal process directly with the applicable payor, provided it has the appropriate written authorization required by the payor to do so. Client may withdraw its authorization at any point during the Appeal Levels.
 - Provided R1 has received the information necessary to complete the Initial Review, R1 will use commercially reasonable efforts to file the appeal in a timely manner but in no event later than the due date for the appropriate Appeal Level.
 - Upon termination of this Agreement, R1 shall provide a Final Status Report to Client indicating activity over the six (6) month period prior to the termination date ("Appeals Client Termination Process"). The Final Status Report shall include the following fields:

Facility Code	Created Date
Patient Account No.	Last Name
First Name	Denied By
Admit Date	Discharge Date
Advisor Name	Appeal Level
Appeal Reason	Due Date
Appeal Result	Denied Amount
Outcome Amount	Sent Date
Appeal Status	Diagnosis
Payor Type	Appeal Due to Client
Denial Reason	Denial Advisor

Appeal Result, Denied Amount and Outcome Amount fields will only be populated if the Client opted to enter this information into the Portal.

- B. Client may request additional, case-related information via appeals@r1rcm.com for a period of ninety (90) days after termination of the Agreement, after which all such obligations are considered null and void.

This provision shall survive the termination of this Agreement.

VIII. TAR-Free Services. These services are retrospective review, for each day of a patient's hospital admission for billing purposes, based on the information that is provided to R1 by Client. R1 is aware that the Client is currently utilizing the MCG criteria. R1 understands and agrees that Client may change between MCG and InterQual™ criteria during the course of the Contract by providing reasonable notice to R1.

- A. Nurse reviewers will review any days not previously reviewed by hospital staff to determine whether each day meets InterQual™ or MCG criteria for appropriate billing classification - acute/failed criteria ("First Level Review").
- B. R1 California-licensed physicians will further review any days that did not meet InterQual™ or MCG criteria during the First Level Review ("Second Level Review").
- C. Upon completion of Review R1 will provide recommendations to Client as to appropriate billing classification, and documentation necessary to support the recommendations.
- D. Client understands and agrees that it must provide/make accessible a complete clinical medical record to R1 necessary for the performance of First Level Review or Second Level Review.
- E. TAR-Free Services Pricing:
 - First Level Review: \$40.00 per day reviewed
 - Second Level Review: \$100.00 per day reviewed

X. Deployment, Operational and Standard Quarterly Services.

- A. The R1 Portal will be operational and R1 will begin providing compliance and Appeal Services within approximately 45 days of the applicable Effective Date.
- B. During that implementation period, R1 will work with Client to schedule key tasks, including: case management staff training, physician training, coordinating and confirming system access for R1 physicians and chart assemblers, and portal access for case managers and key Client leadership staff.
- C. During that implementation period, Client will provide required clinical system access to R1 staff and, if applicable, Health Information Management (“HIM”) team members at least one (1) full business week prior to operation. Client is solely responsible for the security of its clinical system and the information contained therein.
- D. If applicable, deployment team will work with the Client on alternate means to electronically submit the clinical information, including such methods as eTTACH.
- E. Reports on program activity, bi-weekly conference calls, and quarterly on-site reviews to assess program performance and outcomes and education are part of the services provided by R1 based upon Client needs and level of engagement during the term of this Contract.

IX. Hours of Service. Admission Reviews will be provided between the operating hours of 6:00 a.m. to 2:00 a.m. in central standard time zone, seven days per week, 365 days per year. All other Services, including Appeal Services, are provided Monday through Friday, exclusive of R1 holidays, during R1’s standard weekday operating hours (“Weekday Hours”).